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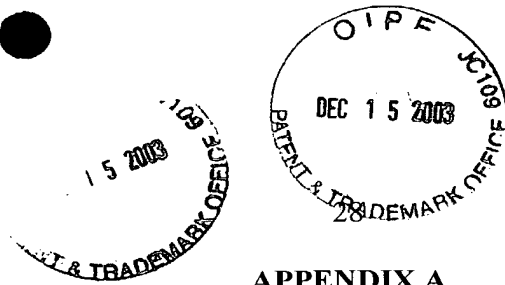
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## APPENDIX A

### List of Materials Submitted in Response to Examiner's Requirement for Information Under 37 C.F.R. § 1.105

- (1) i2 Company Overview Booklet, 1998.
- (2) Rhythm Interplant Manual Version 2.5, April 22, 1994.
- (3) Rhythm Tutorial Manual, January 31, 1996.
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- (5) Information Regarding Rhythm Aftermarket Planning Specific to the Automotive and Industrial Industries, June-July, 1998.
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- (12) Various Marketing Brochures regarding RHYTHM.
- (13) Distribution Intensive Solution Guide, May 18, 1997.
- (14) Rhythm Global Decision Support Solutions, 1997.
- (15) Integrating SAP R/3 and i2's RHYTHM, 1997.
- (16) RHYTHM Inventory Planner, 1998.
- (17) The i2 Technologies Approach to Effective Demand Management, 1998.
- (18) RHYTHM Product Development, 1998.
- (19) Sales and Operations Planner, 1998.
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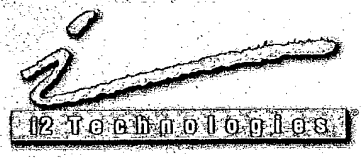
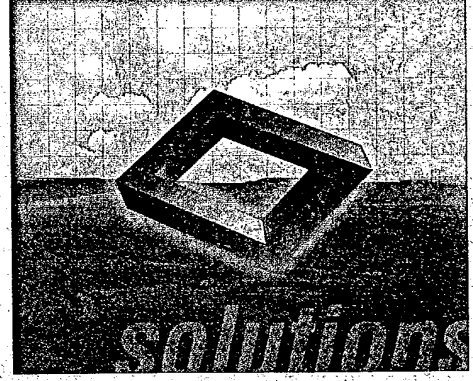
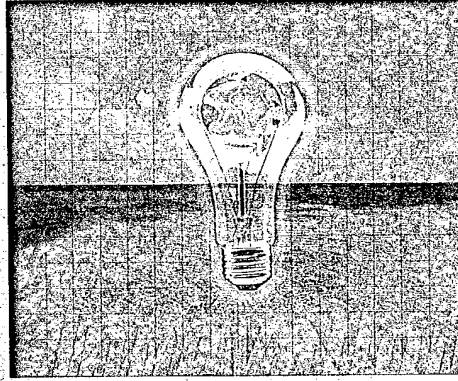
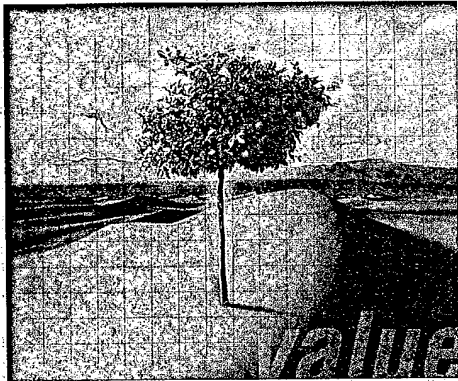
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*"Our people are passionate about what they do,  
do it without regard to promotional or financial reward,  
and do it to make a difference in the world.*

*i2 wants to make a difference."*

Ken Sharma  
senior partner

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# *overview*

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*"i2 Technologies will add \$50 billion of value in growth and savings for our customers by the year 2005."*

Sanjiv Sidhu  
chairman and chief executive officer

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## COMPANY about i2 technologies

*i2 Technologies is the leading provider of intelligent planning and optimization software for global supply chain management.*

*i2 serves customers worldwide.*

*i2's RHYTHM® family of products provides comprehensive, intelligent support for planning and scheduling functions across both inter-enterprise and intra-enterprise supply chains. We are dedicated to providing our customers with the highest level of business value.*

3

### highlights

- Founded in 1988, IPO May 1996
- 140% + Compound Annual Growth since 1992
- Publicly Held (NASDAQ - ITWO)
- More than 184 Corporate Customers

### strategic acquisitions

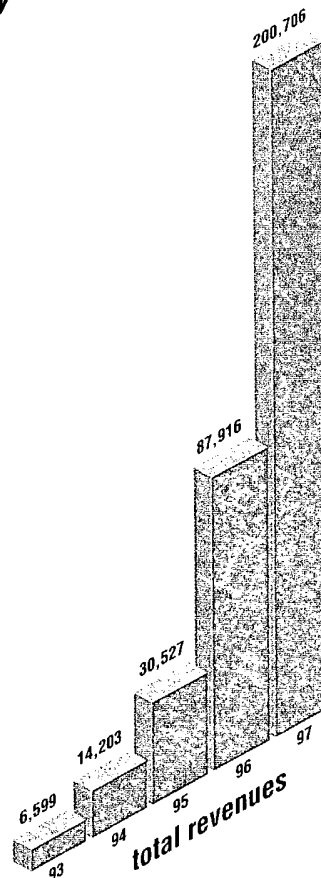
- Intertrans Logistics Solutions—May 1998
- Think Systems Corporation—May 1997
- Optimax Systems Corporation—May 1997
- Operations Planning Group of CSC Consulting—April 1997

### stockholder information

- NASDAQ Capitalization—\$1.4 Billion
- Common Shares Outstanding—29.7 Million
- Fiscal Year End—December 31st
- Average Daily Trading Volume—281,895

statistics as of August 31, 1997

### financial history





## *what is a supply chain?*

a portfolio of business entities or assets involved in the flow of products from raw material procurement through manufacturing and logistics to delivery of finished goods to customers.

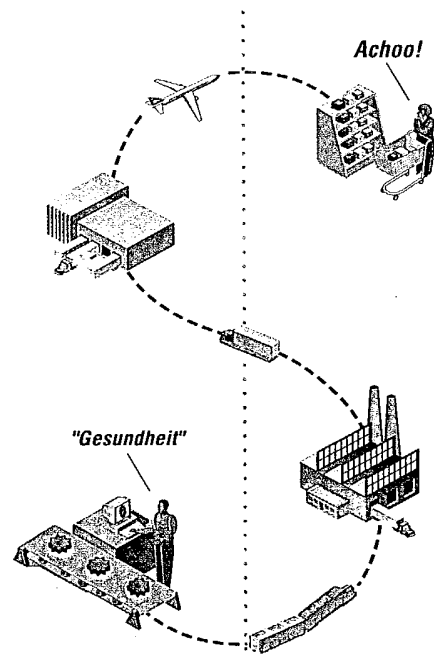
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## *the supply chain opportunity—finding and freeing captive value*

Competitive advantage is gained in a global marketplace by getting the right products to widely dispersed retailers and manufacturers at the right time—and at a minimum total delivered cost. Businesses that can respond quickly to customers' needs will gain market share. Those that cannot will not survive.

According to a 1996 study conducted by Benchmarking Partners, U.S. retailers and manufacturers average an eight week inventory supply—tying up over \$700 billion in capital. Intelligent supply chain management techniques can potentially reduce inventory supply by 25 percent, resulting in a one-time savings of \$175 billion.

i2's RHYTHM supply chain management solution enables companies to respond immediately to changes in global customer demand. If a supply chain is disconnected and out of sync, changes are not communicated quickly and customer responsiveness suffers. RHYTHM helps suppliers, manufacturers, distributors, and retailers work in a more synchronized, integrated manner by sharing information and planning strategies to immediately satisfy changing customer demand.



*i2 Technologies' RHYTHM® supply chain management solution simultaneously considers constraints throughout the supply chain and rapidly generates an optimal plan—resulting in real-time customer responsiveness and improved competitiveness.*

## *company* about i2 technologies

*Only three months after its i2 implementation, Bethlehem Steel's Sparrows Point Division improved its orders processed on schedule by 15 percent and virtually eliminated overbooking.*

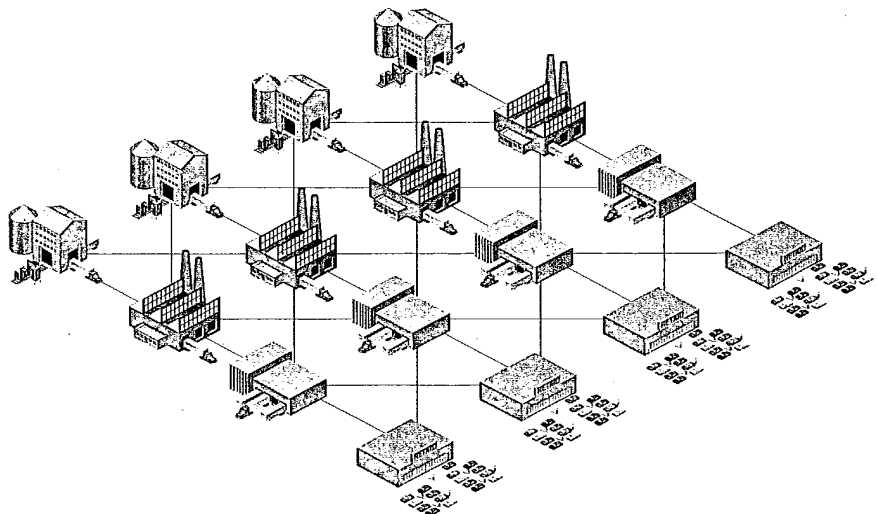
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### ***the new management paradigm—greater agility, greater accountability***

Reductions in critical mass—manpower, inventory, capacity and materials—have stripped away traditional safety buffers that absorb the “shocks” from demand volatility. Yet stakeholders continue to exert tremendous pressure on businesses to increase ROA, profit contribution, and customer responsiveness.

i2 helps companies compete in an increasingly dynamic and volatile global marketplace. Through a combination of innovative concepts and advanced technologies, i2's RHYTHM helps supply chains respond swiftly to exploding product variety, increasingly fickle consumers and rising demand volatility.

Where individual enterprises once battled, entire supply chains now compete. Sustaining the advantage requires a strategic re-alignment of how companies within a supply chain interact to meet the shifting needs of a dynamic, global marketplace. i2's RHYTHM helps supply chain partners develop collaborative business practices, achieve significant inventory reductions and increase delivery performance. New i2 customers can expect dramatic breakthroughs in customer satisfaction levels and ROA.



## ***mission:***

i2 Technologies will provide customers a competitive advantage by enabling them to achieve the highest levels of responsiveness at the lowest possible cost.

6

### ***innovative solutions***

Continuous innovation enables i2 to deliver unprecedented value to customers worldwide. The first to deliver innovative concepts like concurrent planning, i2 is changing the way enterprises operate. Using leading technology to leverage innovative planning concepts, i2 delivers powerful solutions for managing complex inter-company as well as intra-company supply chains.

### ***measurable results***

i2's intelligent solutions for supply chain planning and optimization are designed to help companies improve customer service, profitability, return on assets and competitive position. Our results-focused approach enables the average i2 customer to realize quantifiable business benefits within three to six months of implementation, with full payback achieved within a year.

## *company* about i2 technologies

*Through its RHYTHM implementation, Healthtix improved on-time shipping to a consistent 85-90 percent and reduced raw materials, work-in-process, and finished goods inventories up to 10 percent.*

7

### ***successful partnerships***

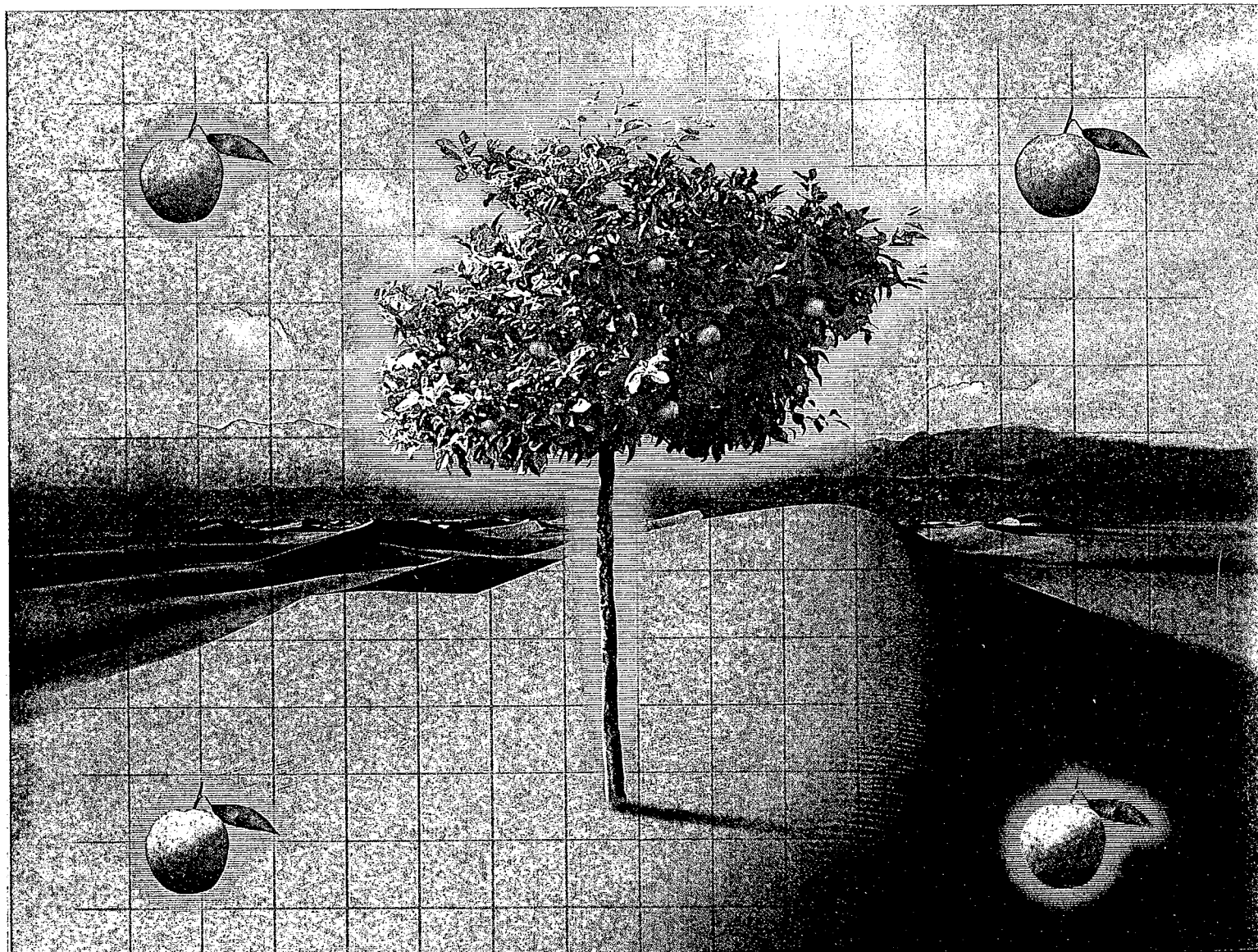
Sustained profitability and growth make i2 a sound business partner. i2 has been profitable and has grown more than 100 percent in size and revenues every year of its existence. Today, i2 is considered the market leader in providing intelligent solutions for Supply Chain Planning and Optimization. Prolonged growth and strategic partnering give us the financial stability and organizational resources to achieve our goal of creating \$50 billion in value for our customers by 2005.

### ***continuous re-investment***

Investing heavily in research and development ensures new and existing customers receive ongoing value from their relationships with i2. Over the next three years, i2 expects to invest more than \$200 million in research and development. Expanding our R&D infrastructure and attracting the best minds in the industry helps solidify i2's intellectual leadership. This investment indicates our commitment to ensuring one-hundred-percent satisfaction among our customers and continued market leadership for i2.

*"Using i2's Business Release Methodology to implement RHYTHM proved invaluable for keeping us focused on measurable benefits."*

Joe Hardin  
director of forecasting and production  
Healthtex



*value*  
uniquely organized to deliver

*i2 Technologies helped frozen food manufacturer Rich Products improve statistical demand forecasting accuracy 3 percent at the SKU level, creating more than \$3 million in savings in less than one year.*

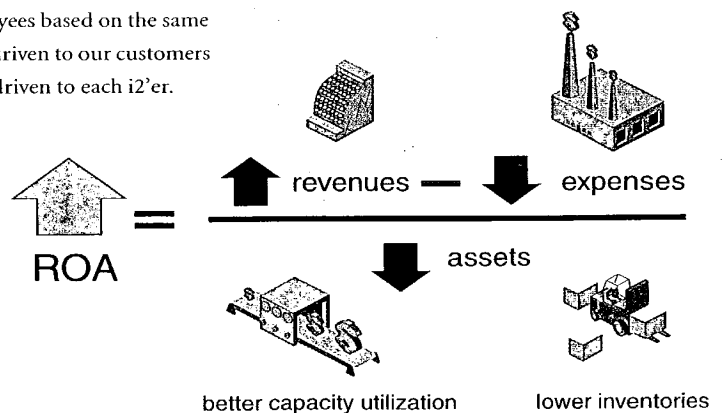
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## ***how will we create \$50 billion in value for our customers?***

To meet our company vision, every organization within i2 is structured to deliver value at each stage of the relationship, from prospect to satisfied customer. Following disciplined, value-based methodologies helps assure our customers receive the greatest and quickest value for their investments. This allows us to deliver measurable results at every step of the process. Our approach provides our customers with a tailored business solution that:

- *improves current business processes*
- *provides measurable and quantifiable metrics*
- *visibly impacts Return On Asset, profitability and customer service levels.*

Objective measurement promotes effectiveness, focus and continuous improvement. Our customers participate in documenting our methodology, which is then professionally audited and verified by industry experts. This approach provides an objective framework to help our customers evaluate our effectiveness. As further motivation to drive value to our customers, i2 also evaluates and compensates individual employees based on the same measurements. Value driven to our customers is quite literally value driven to each i2'er.



*ROA is improved by increasing revenues, reducing expenses, and more efficiently utilizing cash-consuming assets.*

## ***assessing and implementing solutions intelligently***

i2's methodologies are carefully designed to maximize improvements while minimizing disruption and cost. Innovative approaches such as the i2 Value Proposition, Supply Chain Opportunity Assessment (SOA) and the Business Release Methodology help us establish industry peer performance benchmarks, identify customer needs and implement solutions in quick, low-impact phases. The result is usually rapid and significant improvement to our customer's bottom line.

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### **A S S E S S M E N T**

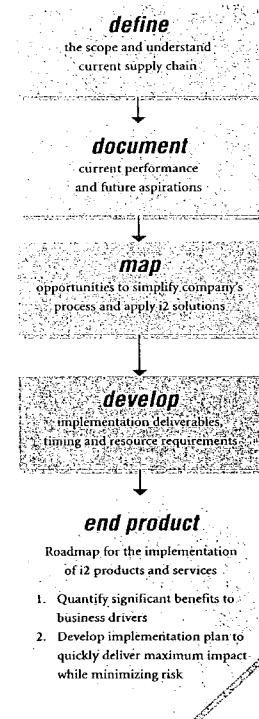
## ***value proposition & supply chain opportunity assessment (soa)***

Each customer relationship begins with an initial analysis called the i2 Value Proposition. This first examination includes a high-level analysis of our client's performance against the performance of industry peers and similar companies that implemented an i2 solution. Based on publicly available financial data, this analysis determines if there is value being held captive in the client's supply chain and projects the impact of the i2 solution.

The next step in i2's methodology is the Supply Chain Opportunity Assessment (SOA). An SOA is a customer-needs driven study that serves to design a Supply Chain Planning solution and determine the most effective way to implement RHYTHM. By identifying ways RHYTHM can impact a company's financial and operational goals before the sale, customers purchase with more confidence and less risk. Each Supply Chain Opportunity Assessment is conducted by the SOA team to craft a RHYTHM solution ideally suited to a customer's overall business objectives.

The SOA allows each i2 customer to:

- *Gain an in-depth understanding of the supply chain process, including current and desired performance levels*
- *Identify key supply chain problems and opportunities*
- *Match specific RHYTHM functionality with the identified problem and opportunity areas*
- *Quantify and summarize the potential benefits of the RHYTHM implementation*
- *Identify obstacles to a successful implementation and determine strategies to overcome them*
- *Develop a deployment road map that includes the business releases, timing, resource requirements, performance metrics, and promised results*



value  
uniquely organized to deliver

*Within seven months of implementing RHYTHM Demand Planner, Whirlpool Australia reduced inventory levels 50 percent to save \$4.8 million. Product availability rose more than 20% and business has since doubled.*

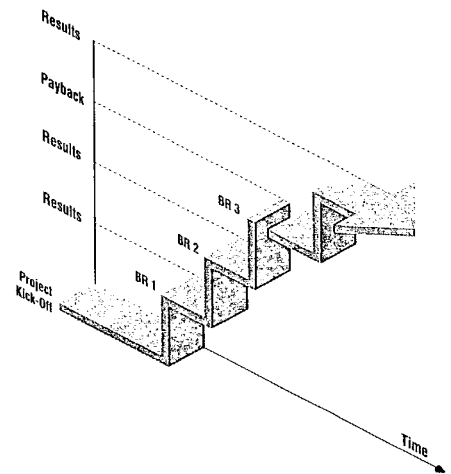
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## IMPLEMENTATION

### ***business release methodology***

A primary reason RHYTHM implementations are successful is i2's Business Release Methodology. Exceptionally practical and effective, this approach focuses on delivering manageable, customer-specific project deliverables or Business Releases. The Business Release Methodology is unique because it allows software to be implemented in structured, short, scalable steps. Each business release ranges from three to five months and is linked to quantifiable benefits contributing to overall payback on the project. Results are usually immediate.

A template used during each Business Release defines what we are going to do and how we are going to do it, our implementation time frame and the measurable criteria we will use to evaluate success. At the end of each business release, benefits are measured, reviewed and adjustments are made. This process continues until our customer achieves established performance metrics for all of the business issues identified in the SOA. In comparison with other large scale software implementations, i2's value-based Business Release Methodology significantly accelerates the payback our customers achieve on their investments.



*i2's Business Release Methodology takes place in easily digestible phases. This ensures our customers see measurable results within a few months, rather than years.*



## ***understanding our customers' needs***

Value is the result of innovative thinking insightfully applied. At i2, we work in close partnership with each customer at each stage of our relationship. This keeps our development efforts squarely focused on pursuing new features and products that provide meaningful, new functionality. Active participation and sponsorship of industry conferences, user groups, consortiums, and seminars provide a rich stream of feedback and insights about our customers, their industries and their needs.

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## ***research and development—responding to value-based feedback***

Every product i2 builds is the result of constant feedback from our customers and i2 industry specialists. In fact, our internal development methodology requires every new product to pass value-based criteria. Beginning with the initial concept through the various stages of the development process, i2's Development organization evaluates the product to ensure that it will satisfy the business needs of our customers. Additionally, products in development are prioritized based on the value they can create for our customers.

In most cases, i2's Development organization works closely with customers in joint development projects. The joint development effort requires significant commitment from i2 and our partner customers to deliver a RHYTHM solution which is consistent with the business needs of a rapidly changing global marketplace. Our demand fulfillment solution is an excellent example of how we are working closely with our customers to develop powerful value-driven functionality that can be utilized across a wide range of industries. The result of a joint development project, demand fulfillment is being adopted by many i2 customers and prospects because of its ability to drive customer service levels across a variety of industries such as semiconductor, metals, paper, and consumer packaged goods.

*value*  
uniquely organized to deliver

*After implementing i2, Worthington Steel reduced its work-in-process inventory 50 percent, cut lead times by one-third and significantly improved its delivery performance.*

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## ***industry groups—solving the problems that are important to you***

i2 Technologies offers extensive industry experience developing and implementing Supply Chain Management solutions.

We have put our comprehensive domain experience to use developing industry-specific solutions that focus on the key business drivers that determine success in a particular industry. By knowing which performance metrics each customer must improve to achieve “best in industry” results, we can deliver a highly focused solution set to give our customer maximum competitive advantage—quickly.

i2 is organized into Industry Groups that are responsible for the development and delivery of focused decision support solutions for specific industries. These groups are staffed with industry experts and seasoned veterans who bring in-depth knowledge of the industry’s key business drivers, and a thorough understanding of how current and future trends will impact your industry. In addition to the annual User Conference, i2 customers in specific industries participate through i2 Industry Conferences. These events give customers additional opportunities to network with peers, address industry trends, share information about using RHYTHM and play a critical role in prioritizing the development of new i2 product functionalities.

*Automotive*

*Food & Beverage*

*Healthcare*

*Manufacturing*

*Pharmaceuticals*

*Retail*

*Transportation*

*Utilities*

*Telecommunications*

*Government*

*Energy*

## ***i2 services - people who get results***

When you select i2, you partner with a team of experts and resources dedicated to your needs. Successful implementations, ongoing support and a formalized link between customer value creation and organizational success instill i2'ers with a strong sense of shared mission. When leading companies choose i2 as their supply chain solutions provider, they validate i2's value-based philosophy—and the dedicated professionals who get results for i2 customers every day.

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### ***consulting***

i2 consultants work on-site with our customers to ensure each RHYTHM implementation progresses smoothly. Our consultants assist in integrating RHYTHM with each customer's information technology environment, including ERP and transaction systems. i2 consultants rely on a broad base of educational, technical and practical business knowledge to guide each implementation. All i2 consultants have extensive industry and technical experience, as well as business or change management backgrounds.

Ninety-nine percent of i2 consultants hold masters or doctorate degrees. Many also bring a wealth of specific industry expertise gained in prior positions at leading consulting firms worldwide. In keeping with i2's mission, all i2 consultants are evaluated based on each project's Business Release deliverables. Additional post implementation audits help assure i2 customers holistically realize their i2 value commitment.

*value*  
uniquely organized to deliver

*i2 helped AVEX improve customer delivery performance 130 percent, reduce work-in-process inventory 50 percent, increase inventory turns from 6.5 to 12 and respond to order changes in minutes instead of days.*

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## ***customer support***

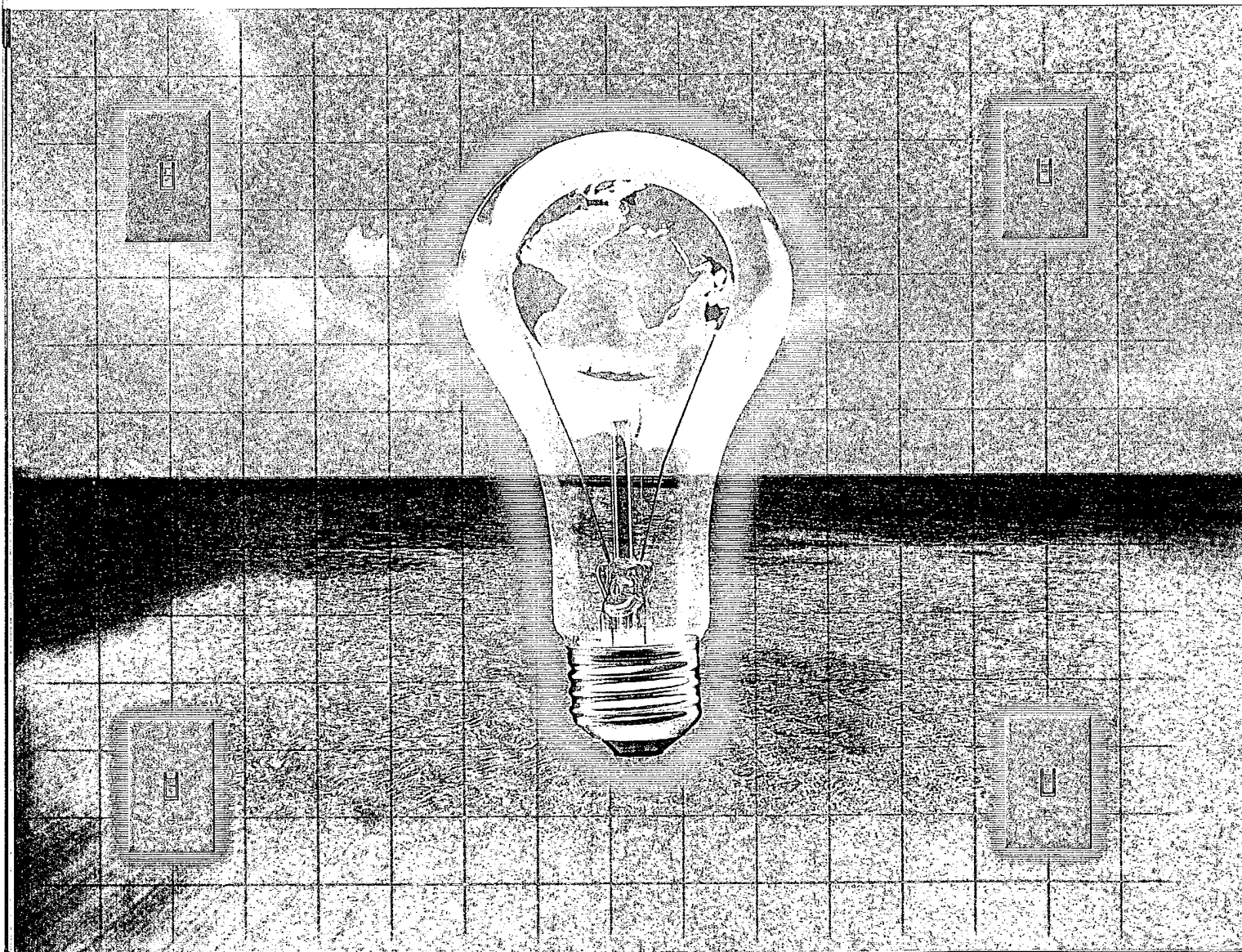
i2 is committed to providing our worldwide clients with world-class post-implementation support. We provide multi-lingual support via i2 Response Center Services facilities located in both the eastern and western hemispheres. In addition, our inter-national customer support group ensures i2 customers receive access to all major, interim, and patch releases along with detailed release notes and documentation updates. After each successful implementation, there is a formal transfer of responsibility from our consulting to our customer support group.

This procedure ensures our support professionals clearly understand your company's value goal. This is important because our support group is evaluated based on our customers' achieving their individual goals. In addition, our support group is continually incented to search for post-implementation value opportunities that add to our goal of creating \$50 billion in value for our customers.

*"In the rapidly changing computer industry, today's answers may not meet tomorrow's challenges. We believe that i2 will continue to be a leader with innovative solutions to meet whatever challenges come along."*

Charles Wehlage  
product operations manager  
Digital

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## *innovation* setting the pace, leading the way

*Within 18 months of its i2 implementation, Herman Miller achieved 99 percent on-time delivery performance and cut lead times by 20 percent or more. Inventory and asset turns have since increased 79 percent and 31 percent respectively.*

17

### ***i2'ers - the key to innovation***

People are instrumental to delivering the value that i2 promises. Supply chain optimization presents tough analytical problems that require superior analytical capabilities. To solve these complex problems, it is paramount that we have the best people. At i2, we continually strive to create a working environment that attracts the most intelligent and inventive people in the business.

i2's success springs from an atmosphere of initiative. Employees are encouraged to express opinions, champion ideas and stretch the limits of possibility. Through the process of innovation, i2 blends advanced technical knowledge with specialized business acumen, transforming leading edge technology into practical business solutions.

## *innovative time line, past and future*

i2 consistently creates the standards that others adopt. Evidence of i2's thought leadership is reflected in the numerous innovations i2 has brought to supply chain management. i2 was the first to successfully deploy revolutionary object-oriented and memory-resident technologies in the commercial supply chain environment. Almost 10 years later, these technologies are cornerstones of every advanced supply chain planning system on the market. Over the years, i2 innovations have revolutionized the planning and scheduling process—and shifted the playing field in favor of i2 customers across several industries. This legacy of successfully transforming advanced thinking into highly effective, standard-setting commercial solutions uniquely positions i2 to remain the leader in this critical new management discipline.

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### PAST INNOVATIONS: A PROVEN TRACK RECORD

1985

#### **1<sup>st</sup> generation object-oriented**

i2 founder Sanjiv Sidhu begins development of the first generation of object-oriented planning applications while working at Texas Instruments' Artificial Intelligence Lab.

1989

#### **Constraint Anchored Optimization (CAO)**

i2 develops a unique algorithm that represents for the first time the shifting and complex realities of modern supply chains.

1992

#### **instant delivery promising**

RHYTHM adds real-time, Capable-To-Promise functionality guaranteeing reliable and accurate delivery promises. i2 customers can now receive, plan and commit to orders in seconds instead of days and weeks.

1986

#### **multidimensional forecasting**

Think Systems co-founder Sandy Tungare develops multidimensional forecasting applications leveraging On-line Analytical Processing (OLAP) technology. Nabisco becomes the first customer to deploy this technology.

1990

#### **RHYTHM launched**

Timken Steel becomes i2's first customer. Within 12 months of implementing RHYTHM, Timken reduces inventory by 25% and cycle times from 4 weeks to 1 week. RHYTHM's concurrent planning techniques help companies move away from slower, batch-oriented planning to real-time plans and schedules synchronized within a fast-changing environment.

1988

#### **2<sup>nd</sup> generation object-oriented**

Sanjiv Sidhu starts i2 Technologies and builds the second generation of object-oriented planning applications. Shortly after, co-founder Ken Sharma, a pioneer in the development of constraint-based systems, joins i2.

1991

#### **MRP alternative**

i2 releases an enhanced RHYTHM product featuring assembly coordination and multi-plant planning capabilities unmatched by even today's ERP systems.

## innovation setting the pace, leading the way

Copperweld's i2 solution helped this leading tubing manufacturer improve on-time delivery performance from 80 percent to 97 percent, while reducing its total number of late orders from 400 to only 10.

19

1993

### **supply chain initiative**

i2 enters the supply chain market with the development of our 3<sup>rd</sup> generation object-based RHYTHM planning system. The goal is to build the first integrated supply chain planning system to manage all constraints—from demand through distribution, transportation and manufacturing—concurrently within a single model.

1994

### **genetic algorithms**

Optimax Systems, now part of i2, pioneers the commercial use of genetic algorithms for scheduling applications. Genetic algorithms, adopted years later by other technology providers, use the principles of population biology to “evolve” good solutions to complex mathematical problems.

1995

### **supply chain planner launched**

i2 delivers the first truly distributed supply chain planning architecture that can solve the largest and complex inter-enterprise and intra-enterprise supply chain problems. 3M licenses RHYTHM for worldwide implementation.

1996

### **sophisticated allocation**

i2 begins a joint development process with a large semiconductor company to build Allocated Available-To-Promise—an intelligent order fulfillment mechanism that enables industries where demand exceeds supply to manage complex product and channel allocations.

1996

### **BMW forecast method**

Think Systems, now part of i2, introduces the BMW series forecasting method. This technique incorporates multiple factors including trends and seasonal variations to significantly reduce forecast error, even when historical data is severely limited.

1997

### **strategy-driven planning**

RHYTHM's Strategy-Driven Planning (SDP) feature offers each i2 customer a unique framework that places the industry's most comprehensive array of algorithms and solvers at the human planner's disposal. This allows the planner to interactively guide the optimization process toward the optimal solution.

1997

### **collaborative planning**

i2 delivers the first global decision support framework that enables multiple enterprises, ERP, data sources and advanced planning engines to collaborate as a single supply chain. This gives i2 customers true global optimization in an increasingly diverse IT environment.

1997

### **high availability ATP**

In response to customer needs, i2 develops the world's fastest Available-To-Promise server that runs 24 hours a day, 7 days a week. This gives a global sales force continuous access to real-time inventory availability worldwide. RHYTHM's memory-resident architecture processes in excess of one hundred requests per second—more than twenty times faster than competitive technologies.



## ***innovative planning concepts: the i2 difference***

i2's innovative approaches to planning take the complexity of entire supply chains into consideration, providing a powerful tool to synchronize operations and significantly improve performance.

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### **TRADITIONAL APPROACH**

#### ***Sequential Planning***

Planning is a series of functions from Master Scheduling to Rough-Cut Capacity Planning, followed by Materials and Capacity Requirements Planning. Due to their serial nature, plans are isconnected, requiring multiple iterations to maintain coherency and synchronization.

#### ***Local Optimization***

Plans are localized to each resource or functional group with minimal consideration of their impacts throughout the entire supply chain, leading to only locally optimal solutions.

#### ***Limited Supply Chain Representation***

Traditional planning approaches use gross approximations of manufacturing reality, such as fixed lead times and standard queue sizes.

#### ***Infinite Planning***

Traditional approaches result in unrealistic plans because they consider material and capacity separately and assume these resources are infinite.

#### ***Uni-Directional Change Propagation***

A change occurring anywhere in the planning series requires a new iteration starting at the beginning of the planning process.

#### ***Multiple Iterations***

Sequential and disconnected planning requires multiple iterations, delaying important planning information, and resulting in plan of limited use that rarely reflect the current operational status.

*innovation*  
setting the pace, leading the way

*i2's RHYTHM helped Timken Steel cut its manufacturing cycle by more than 30 percent, while reducing inventories 25 percent and improving on-time delivery performance substantially.*

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### ***Concurrent Planning***

Sourcing. Material. Capacity. Distribution. Transportation. All functional supply chain processes are planned simultaneously, resulting in synchronized and globally optimal solutions for the entire supply chain.

### ***Global Visibility***

Plans are created by considering the impact on all resources throughout the supply chain, leading to "globally good" and feasible solutions.

### ***Accurate Supply Chain Representation***

Modeling techniques provide a more accurate representation of a company's supply chain operations, placing less reliance on approximations and improving management decision support.

### ***Constraint-Based Planning***

Resource constraints of all types throughout the supply chain are identified and managed for maximum throughput.

### ***Bi-Directional Propagation***

The impact of a change is propagated both upstream and downstream so that affected materials and operations are immediately adjusted, and the impact of the change is mitigated.

### ***Speed***

Concurrent, memory-resident planning technology enables vast improvements in speed, resulting in faster responsiveness to changing business conditions.

## ***the i2 Planning Funnel: an innovative approach, an end-to-end solution***

Planning is not the process of creating a plan. It is the ongoing process of maintaining and refining an existing plan. Traditional planning approaches involve the creation of separate plans that have different, and often redundant uses, time horizons, and planning detail. RHYTHM enables planners to look at a single integrated model that views both near-term and long-term horizons as well as multiple levels of detail.

The i2 Planning Funnel is a representation of planning levels and activities mapped over time, ranging from strategic decisions that encompass a longer time horizon to scheduling and execution decisions that are considered near term.

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### ***flawless execution cannot overcome a poor planning decision***

As we move through the planning funnel from the future to the point of execution, the plan becomes less flexible as more constraints come into play and decision options decrease. Decisions which have the greatest impact on the company's business goals for ROA, profitability and customer service are made at the strategic, tactical and operational time horizons where planners have greater decision-making flexibility.

For example, by the time an order is received at a typical consumer packaged goods company, 80 percent of the total delivered cost has already been predetermined by decisions made at the tactical and strategic levels. In capital-intensive industries like pulp and paper or semiconductor, 50 percent of total product cost is determined by billion-dollar investment decisions made long before production.

#### ***scheduling***

What is the optimal sequence of jobs for distribution, manufacturing, and transportation resources?

What is the optimal release schedule for the shop floor?

What carriers do I use?

Making it happen!

## setting the pace, leading the way

i2's RHYTHM enabled Aerostructures Corporation, a producer of aircraft wings and wing components, to realize more than \$1.2 million in inventory and raw materials reductions.

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### ***operational***

How do I plan to consume distribution, manufacturing, and transportation resources?

Where should I deploy finished goods throughout the supply chain?

### ***tactical***

Where are we?

Is this where we had planned to be?

How did we get here?

Where do we want to go?

What is the plan to get there

### ***strategic***

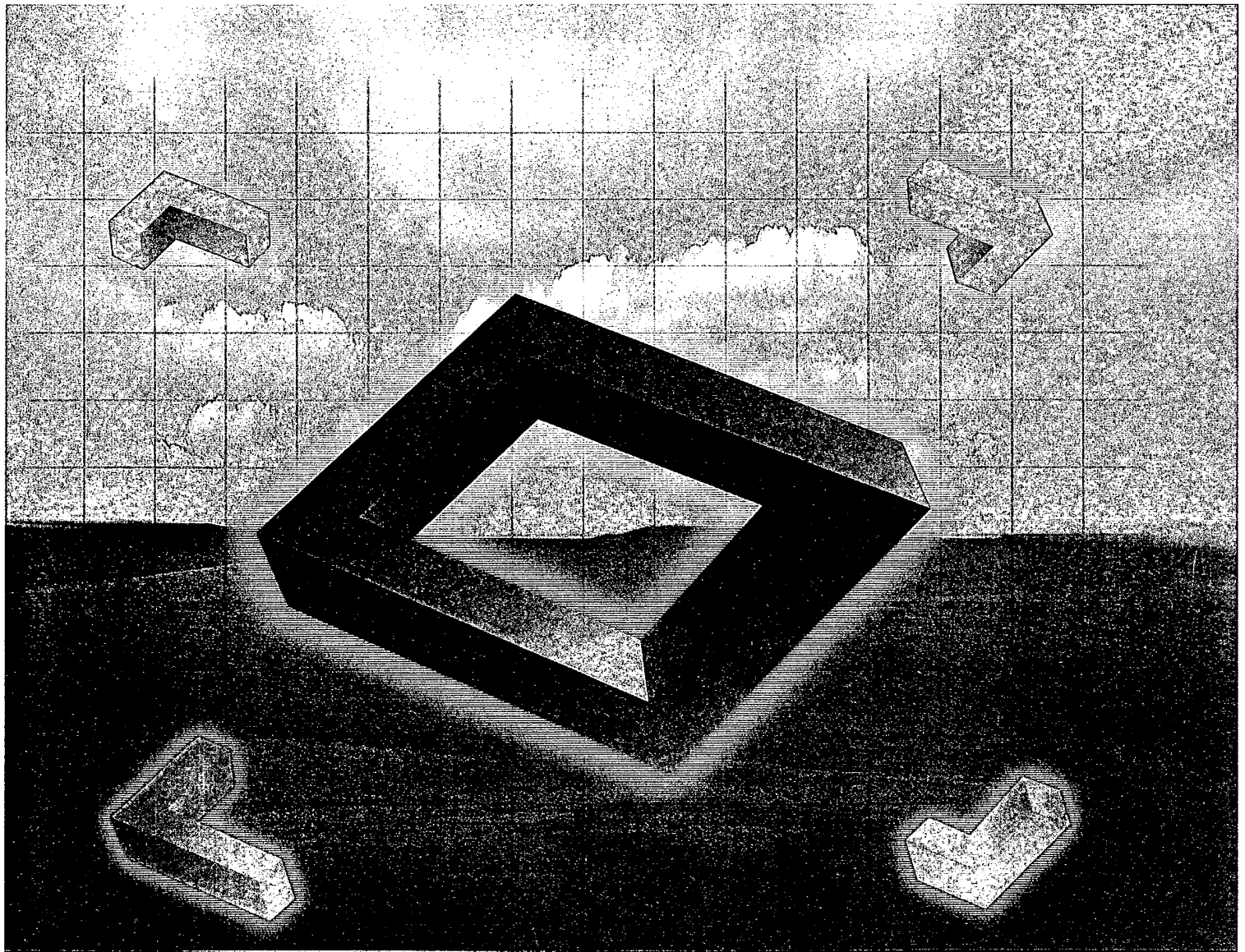
Where should I locate plants, DCs, or warehouses relative to my customers and sources in a way that maximizes ROA?

What is the best mix of distribution strategies: DSD, warehouse-to-warehouse, cross-docking, direct plant-to-customer?

Which plants make which product?

*"Enterprise Resource Planning (ERP) applications will not support the challenges of efficient supply chain management. Users will have to surround ERP systems with a new set of supply chain planning applications to reach their goals of seamless, responsible and reliable supply chains."*

Tom Gormley, III  
Forrester Research



## *solutions* dominate your marketplace

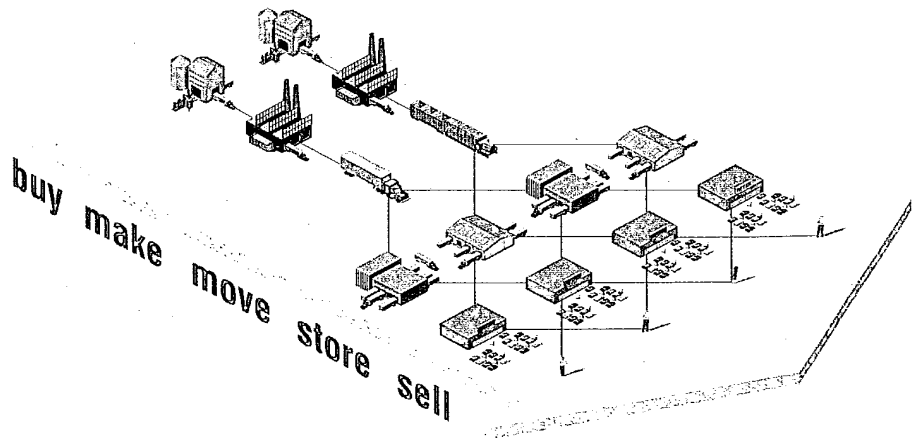
*Using i2's RHYTHM, Thomson Consumer Electronics reduced its planning cycle time from four to five weeks to only one week, resulting in a sizable inventory reduction for the multi-billion dollar global manufacturer.*

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### ***a targeted competitive edge***

In all, there are five major activities that take place within a supply chain: buy, make, move, store and sell. Whether all of this occurs within a single enterprise or multiple enterprises, the same activities encompass the entire supply chain with planning data being seamlessly exchanged among them.

RHYTHM's industry-specific decision support capabilities help our customers determine when, where and what quantity to buy, make, move, store and sell in order to gain the competitive advantage and meet their customer service, profitability and ROA goals.



*Supply chain planning is the ability to make optimal decisions with respect to buying, making, moving, storing and selling products in an intelligent way that meets our customer's business objectives.*

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## ***i2 solutions—the ultimate in decision support***

i2 provides the most comprehensive solution for single and multi-enterprise supply chain planning and optimization. The illustration maps the supply chain activities of buy, make, move, store and sell to the i2 Planning Funnel to show the broad scope of RHYTHM's decision support capabilities. From strategic business planning to the detailed scheduling level, for one enterprise or many within a supply chain, i2 has the solution set to get more results for you.

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### ***advanced scheduling***

RHYTHM's Advanced Scheduling solution brings all production operations into detailed synchronization to meet customer goals and optimize resources. It determines the optimal sequence of jobs, taking into account a wide variety of highly realistic and detailed constraints. Scheduling determines the release schedule for the shop floor and generates detailed lists for order execution.

### ***transportation planning***

RHYTHM's Transportation Planning solution derives a demand-driven, feasible plan for transportation resources that are required to move inventory from one location in the supply chain to another. i2 Technologies offers a complete transportation solution that encompasses the tactical, operational and execution needs of the supply chain. The solution suite is based on capabilities within RHYTHM as well as other solutions through strategic partnerships.

### ***global supply chain management***

Global markets require manufacturers, their suppliers and customers to synchronize their activities in order to deliver the right products at the right time throughout the supply chain at the minimum cost. The RHYTHM solution for global supply chain management provides an integrated approach to balancing supply and demand across entire supply chains. The tools that make up this solution operate within and between enterprises using intranets and the internet. They provide synchronized, joint planning capabilities that are required to provide true multi-enterprise collaboration.

### ***demand planning***

RHYTHM's Demand Planning solution combines intelligent forecasting techniques, exclusive automatic "pick best" modeling selection and multidimensional data manipulations through an intuitive user interface. Organizations can greatly reduce forecast error, increase planning accuracy, and link the planning process directly to strategic goals.

### ***manufacturing planning***

RHYTHM's Manufacturing Planning solution takes a global approach to intelligently optimize the performance of a manufacturing operation. By analyzing what is best for the manufacturing organization or supply chain as a whole, RHYTHM simultaneously manages multiple and dynamic constraints to develop a feasible operating plan for plants, departments, work cells, or production lines. The resulting plans meet the customer's delivery requirements and business objectives.

## *solutions* dominate your marketplace

*With i2's RHYTHM, Domtar, Inc. reduced the time to plan an order from 2 hours to less than one minute. Customers are now given accurate delivery dates 100 percent of the time.*

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### ***distribution planning***

RHYTHM's Distribution Planning solution enables logistics managers to create an operating plan that meets the global objectives of the supply chain. Distribution Planning is a subset of capabilities within RHYTHM Supply Chain Planner's tightly-integrated planning architecture. In contrast with traditional distribution planning systems such as Distribution Requirements Planning (DRP), RHYTHM's technology and architecture extends the current set of capabilities to address new and emerging challenges for distribution-centric supply chains.

### ***strategic business planning***

RHYTHM's Strategic Business Planning solution involves long-term decisions regarding the supply chain. Depending upon the industry, these decisions are made every 6 months to 5 years. This process helps an enterprise design the most optimal supply chain network by showing cost, profit and customer service trade-offs that exist between alternative network scenarios. Typical decisions include where to locate plants and distribution centers, what modes of transportation to use, how much capacity is required, how much inventory should be stocked, and what products to sell.

### ***master planning***

Master Planning is exactly what it implies — creating a master plan for the entire supply chain that helps determine when, where, and what quantity to produce, purchase, ship, and store both intermediate and finished goods in order to meet customer demand and inventory targets. Master Planning enables you to balance a company's financial goals and customer service levels against its operational constraints. It creates a plan at the tactical level which drives the manufacturing, distribution and transportation plans at the operational level in order to ensure a synchronized, globally optimal plan.

### ***demand fulfillment***

RHYTHM's Demand Fulfillment solution improves customer service levels and profitability by enabling companies to confidently make delivery promises to their customers. It does so by providing visibility into the complete demand/fulfillment cycle from the sourcing and procurement of raw materials through manufacturing, transportation and distribution to customers.



## *delivering results for our customers*

i2 recognizes that long-term partnerships with our customers are critical in creating solutions that keep pace with changing customer needs. By helping our customers use their resources more efficiently, i2 delivers fast, measurable results.

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*"i2's thought leadership and technical expertise has been invaluable to Timken's success in meeting customer commitments."*

Garry Fisher  
Manager-Order Fulfillment  
Timken Steel Company

*"Velocity, volume and cost are key differentiators in our industry. i2 understood our business model and could provide a complete solution for meeting our aggressive goals for further improvements to our existing supply chain operations ... we estimate that RHYTHM will generate \$2 billion in incremental value at Dell."*

Tom Meredith  
Chief Financial Officer  
Dell Computer Corp.

*"We were looking for a better line of sight to our customers, so we could better understand their requirements and manage our demand. Unlike many planning systems, i2's RHYTHM software provides a global view of the entire supply chain from sourcing to delivery."*

Rick Strahl  
Manager-Demand Management Program  
3M Corporation

*"i2's ATP (Available-To-Promise) will provide us with the means to align our global operations and will provide us the ability to better service our customers - the fundamental and crucial advantage we are seeking."*

John White  
Chief Information Officer  
Compaq Computer Corporation

*"When we first outlined our objectives, I thought, if RHYTHM achieves only half, we'll still have excellent payback. But in six months, we met our goal for work-in-process reduction."*

Dave Geib  
Project Manager  
Worthington Steel Company

*"I'd say the key that i2 provides is speed—speed that's incredible!"*

Jeff Lawrence  
Master Planning and Scheduling  
Soltecron Corporation

# *solutions* dominate your marketplace

*COMPAQ significantly improved its "ship to commit" metric, in fact, a record high was achieved in less than six weeks after RHYTHM went into production at the first plant.*

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*"RHYTHM's global visibility and advance warning of problems helps Herman Miller to make customer promises it can keep and keep the promises it makes."*

Frank Mollen  
Director of Manufacturing Operations and  
Information Systems  
Herman Miller, Inc.

*"Because our plants supply one another, an individual plant's mix attainment becomes very important. It impacts the ability of other plants to have all of the parts they need to manufacture their products and get them to customers on time. With RHYTHM, we are generating a completely synchronized schedule that is feasible and ensures that we are making the right product at the right time."*

Terry Gleason  
General Manager-Materials  
Thomson Consumer Electronics

*"With RHYTHM, we've seen dramatic improvements in delivery performance and inventory turns."*

Ed Cajal  
Master Scheduler  
AVEX Electronics Inc.  
A Subsidiary of J.M. Huber Corporation

*"RHYTHM's quick response time and total supply chain visibility made it the best choice for our supply chain needs. The software is currently being implemented in four divisions and we are already exploring the possibility of expanding our use of the product."*

Craig Hull  
Senior Vice President - Supply Chain  
Occidental Chemical Corporation

*"We're already seeing reductions in finished goods inventory and improvements in our ability to respond to customers. This has already led to a \$4.8 million reduction in standing inventory in Australia alone over just seven months."*

J. B. Hoyt  
Director of Global Logistics Integration  
Whirlpool Corporation

*"RHYTHM Demand Planner has not only saved us \$3.2 million in inventory savings, but has given us a single source for short-term planning for logistics production, and has served as a source for the division's annual operating plan and semi-annual financial planning."*

Dave Krawczyk  
Systems Analyst  
Rich Products Corporation

## ***Thank you . . .***

We are very proud to count these world-class enterprises as i2 customers.  
Simply put, our mission is to ensure the continued success of every name on this list.

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### ***some of our customers***

|                                  |   |  |
|----------------------------------|---|--|
| 3COM                             | Coca-Cola Beverages Ltd. Canada         | Fujitsu Microelectronics               |
| 3M                               | Coca-Cola Bottling Company of New York  | GE Appliances                          |
| Abbott Laboratories              | Coca-Cola FEMSA S.A. de C.V.            | GE Lighting Systems, Inc.              |
| Aceros Camesa                    | Coca-Cola Company Japan                 | GE Plastics                            |
| ACME Metals                      | Coca-Cola Trading Company               | General Motors                         |
| Adtran                           | Compania Siderurgica Huachipato S.A.    | GE Quartz, Inc.                        |
| Allied Machine & Engineering     | Compaq Computer Corporation             | Genesco, Inc.                          |
| Altos Hornos Mexico S.A. de C.V. | Copperweld Tubing Products              | Glen Raven Mills, Inc.                 |
| Applied Magnetics                | CSS Industries, Inc.                    | Grayhill, Inc.                         |
| AST Research, Inc.               | Cycle & Carriage Industries Pte Limited | Grupo Gamesa                           |
| AVEX Electronics                 | Cyrix Corporation                       | Healthtex                              |
| Baker Furniture                  | Consumers Packaging, Inc.               | H. J. Heinz Company of Canada          |
| Baker Hughes INTEQ               | Dan River, Inc.                         | Hewlett-Packard Company                |
| Bard Pharmaceutical Ltd.         | Dawson/J.E. Morgan Knitting Mills, Inc. | Herman Miller                          |
| Bell Helicopter                  | Deere & Company                         | Holnam, Inc.                           |
| Bethlehem Steel                  | Dell Corporation                        | IBM                                    |
| BHP                              | Digital Equipment Corporation           | IMSA                                   |
| Blue Diamond Growers             | Dixie Group, Inc.                       | Integrated Device Technology, Inc.     |
| Boise Cascade                    | Domtar, Inc.                            | International Home Food Products, Inc. |
| Brach & Brock Confections        | Donaldson Company, Inc.                 | Iscor Limited                          |
| Bridgestone Australia Ltd.       | Doosan Beverage Co. Ltd.                | JLG Industries, Inc.                   |
| Bristol-Myers Squibb             | E & J Gallo Winery                      | Johnson & Johnson Medical, Inc.        |
| British Steel                    | ELVAL                                   | KF Industries, Inc.                    |
| Carpenter Technology Corporation | EMI Compact Disc                        | Kimball Furniture                      |
| Carter Holt Harvey Australia     | Encore Orthopedics                      | Leiner Health Products, Inc.           |
| Case Corporation                 | Fletcher Challenge Canada               | Lincoln Electric Company               |
| Central Soya Company, Inc.       | Fletcher Challenge Steel Ltd.           | Lipton                                 |
| Ciba-Geneva Pharmaceutical       | Ford Motor Company                      | Logan Aluminum                         |

# *solutions* dominate your marketplace

*Two years after implementing i2's RHYTHM, Digital reduced overall inventories more than \$400 million, cut their manufacturing cycle time from more than five days to less than one day and improved delivery performance to 90 percent.*

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Lucent Technologies Microelectronics  
Lucent Technologies Network Systems  
Lucent Technologies Power Systems  
Magnetek  
Maksan Manisa Mesrubat Kutulama Sanayii  
Mannesmann S.A.  
Mary Kay Cosmetics, Inc.  
Merck & Company, Inc.  
Mercury Marine  
Motorola Cellular Infrastructure  
Motorola Cellular Subscriber  
Motorola Paging  
Motorola Semiconductor  
Nabisco Brands, Inc.  
Nabisco Brands Ltd. Canada  
Napp Pharmaceutical Ltd.  
Neusiedler A.G.  
Newport News Shipbuilding  
Nikon, Inc.  
Occidental Chemical Corporation  
Oregon Freeze Dry  
Ore-Ida Foods, Inc.  
P.F. Laboratories, Inc.  
Pacific Dunlop Cables Group  
Pameco Corporation  
Pfizer Consumer Healthcare  
Philip Morris USA  
Philips Semiconductors

Playtex Products Corporation  
Perusahaan Otomobil Nasional Berhad (PROTON)  
Pinacor  
RB Distribution  
Rich Products Corporation  
Riverwood International  
RMI Titanium Company  
R. P. Scherer  
Ruiz Food Products, Inc.  
Samsung Semiconductor  
Sara Lee Casualwear  
SEH America, Inc.  
SGS-Thomson Microelectronics  
Sharon Tube Company  
Sidmar NV  
Siemens Semiconductors  
Smith International, Inc.  
Soletron Corporation  
Sonoco Products Company  
Sony Electronics  
Sony Music Entertainment, Inc.  
SPAL Industria Brasileira de Bebidas  
Specialty Brands, Inc.  
Steelcase, Inc.  
Sunbeam Corporation  
Tandem Computers Corporation  
Texas Instruments

Texas Microsystems  
The Aerostructures Corporation  
The Gorton Group  
The Mayo Foundation  
The Minute Maid Company  
The Timken Company  
Thomson Consumer Electronics  
Tommy Hilfiger  
Toshiba Corporation  
Toshiba America Electronic Components, Inc.  
United Distillers & Vintners  
U.S. Navy  
U.S. Steel  
U.S. Surgical Corporation  
Visteon Automotive Components+  
VLSI Technology, Inc.  
Volvo Trucks North America  
Walt Disney/Buena Vista Home Video  
Warner-Lambert Canada, Inc.  
Wayne Dresser  
Weatherford Enterra U.S.  
Wheeling Pittsburgh Steel  
Whirlpool Corporation  
Wise Foods  
Worthington Steel  
W. R. Grace Australia Ltd.  
VF Corporation  
Yokohama Tire Corporation

## ***contact i2***

### **United States**

#### **Worldwide Headquarters**

909 E. Las Colinas Blvd., 16<sup>th</sup> Floor  
Irving, TX 75039  
(800) 800-3288  
(214) 860-6000  
(214) 860-6060 fax

### **Australia**

#### **HQ - Asia Pacific Operations**

Level 6, 492 St Kilda Road  
Melbourne Victoria 3004  
Australia  
+61 3 9867 4888  
+61 3 9867 4788 fax

### **Belgium**

Airway Park  
Building E, 1st Floor  
Lozenberg 23  
B-1932 St. Stevens Woluwe  
Belgium  
+32 2 717 66 00  
+32 2 717 66 01 fax

### **Canada**

3027 Harvester Road, Suite 200  
Burlington, Ontario L7N 3G7  
Canada  
(905) 631- 4000  
(905) 631- 4076 fax

### ***Intertrans, An i2 Company***

80 Whitehall Drive  
Markham, Ontario L3R 0P3  
(905) 944-8088  
(905) 944-0547 fax

### **Denmark**

Hovedgaden 8  
DK- 3460 Birkerød  
Denmark  
+45 45 827 827  
+45 45 827 828 fax

### **France**

Tour Franklin  
15eme Etage  
F92-42 Paris La Défense  
France  
+33 1 41 97 83 74  
+33 1 41 97 83 84 fax

### **Germany**

#### **HQ - European Operations gmbH**

Richard-Reitzner - Allee 8  
D-85540 Haar by Munich  
Germany  
+49 89 46 2377-0  
+49 89 46 2377-77 fax

### **India**

143-C, SPF-V  
SeepZ, Andheri (East)  
Mumbai  
India 400096  
9122 8290774  
9122 8291537 fax

### **Japan**

#### **HQ - Asia Pacific Operations**

3F Kamiyacho Mori Building  
4-3-20 Toranomom Minato-Ku  
Tokyo, Japan 105  
+81 3 5403 1780  
+81 3 5403 1790 fax

### **Mexico**

Torre Caballito  
Av. Paseo de la Reforma No. 10, Piso 19  
Col. Centro  
Mexico DF  
Mexico 06400  
(525) 628-1268  
(525)-628-1212 fax

### **Singapore**

7500A, Beach Road  
#06-324, The Plaza  
Singapore 199591  
+65 391 5366  
+65 391 5367 fax

### **United Kingdom**

Eagle House  
The Ring  
Bracknell, Berkshire  
RG12 1HB  
England  
+44 1344 382026  
+44 1344 382025 fax